

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 19, 2016

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: CARRIE SANDERS, DEPUTY DIRECTOR, T&ES

SUBJECT: AGENDA ITEM # 6 - FY 2018-2027 CIP UPDATE

ISSUE: Update on FY 2018 - FY 2027 City Capital Improvement Program (CIP).

RECOMMENDATION: That the Transportation Commission (Commission) receive the update and provide guidance to staff for preparation of the FY 2018 budget for inclusion in the City Manager's FY 2018 budget.

BACKGROUND: Each year the City Manager presents a proposed City Budget to the City Council for consideration and action. As part of the budget process, a ten-year Capital Improvement Program (CIP) is developed that programs funding for major capital projects in the City. Funding for the CIP comes from the City's general fund, grants, and other non-City sources such as developer contributions.

In October 2015, the Commission recommended the following initial policy guidance to City Council for the FY 2017-26 CIP:

- Preserve the 2.2 cent transportation reservation in order to comply with maintenance-of-effort requirements, maintain flexibility, and to offset previous loss of state urban funds.
- Commit adequate operating funds to provide the project management, procurement, management and of staff resources necessary to implement new capital projects and programs.
- Continue to capitalize staff positions that are directly related to capital project implementation, as allowable, in order to utilize capital funds and reduce impacts on the operating budget.
- Maintain funding for highest priorities as determined by the Transportation Commission in the Transportation Improvement Program.
- Allocate Northern Virginia Transportation Authority (NVTA) 70% funds for high priority major capital investments with regional impacts with an emphasis on leveraging non-city funds and/or accelerating project delivery.
- Utilize funding sources with least restrictions on project eligibility (i.e. CMAQ, RSTP, and NVTA 30% funds) for non-motorized projects, project development, ADA improvements, maintenance and operations.
- Pursue discretionary grant funding for transportation projects, including state capital

assistance and federal New Starts, Small Starts, and TIGER grants.

- Ensure adequate funding for the Alexandria Police Department for capital investment and operating costs of enforcement—including parking violations, High Occupancy Vehicle (HOV) lane violations on Route 1 and Washington Street, speeding, and red light running—to help shape driver behavior and promote safety.
- Ensure that city transportation funding levels are maintained or increased above the maintenance-of-effort requirements of HB2313 to provide new transportation capacity and enhanced transportation services and programs while also maintaining existing assets in a state of good repair.
- Recognizing that regional transportation, including WMATA transit service is a priority that should not fall entirely on the transportation budget but rather a shared cost, the Council should explore opportunities to help fund the regional transit needs beyond the City's transportation resources.

DISCUSSION: The low rate of revenue growth since the end of the recession combined with City and School capital infrastructure, facility funding needs, and school enrollment increases will cause the City to examine how trimming services and limiting investment in new or expanded services can be done. In addition, WMATA's operating and capital programs continue to put significant pressure on City funding sources, and in particular, its transportation sources. While the City's economy is forecasted to gradually grow, it is unlikely that revenue growth alone will be sufficient to fund all City needs.

A memorandum from the City Manager dated September 14, 2016 (See Attachment 1) was sent to the City Board, Committee, and Commission members related to the FY 2018-27 budget. This memo explains the need to prioritize service and investments and included two questions that should be discussed among members, including:

1. What are the highest priority services and initiatives within your policy area that you feel should be added or increased in the FY 2018 budget?
2. If your area of the budget is required to identify potential reductions for FY 2018, what are the lowest priority services and initiatives that should be considered?

The Commission's feedback on these two questions will assist City staff in developing budget submissions and reflecting the priorities of the Transportation Commission. It is requested that responses to the above questions are provided to the Director of Transportation and Environmental Services (T&ES) by October 31, 2016. In addition, Board and Commission Chairs will meet with the Director of T&ES on October 24th to relay concerns as staff continues to prepare the FY 2018 budget for inclusion in the City Manager's FY 2018 budget.

ATTACHMENTS:

Attachment 1 - September 14, 2016 Letter from City Manager